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ANNUAL REPORT TO STOCKHOLDERS



1945

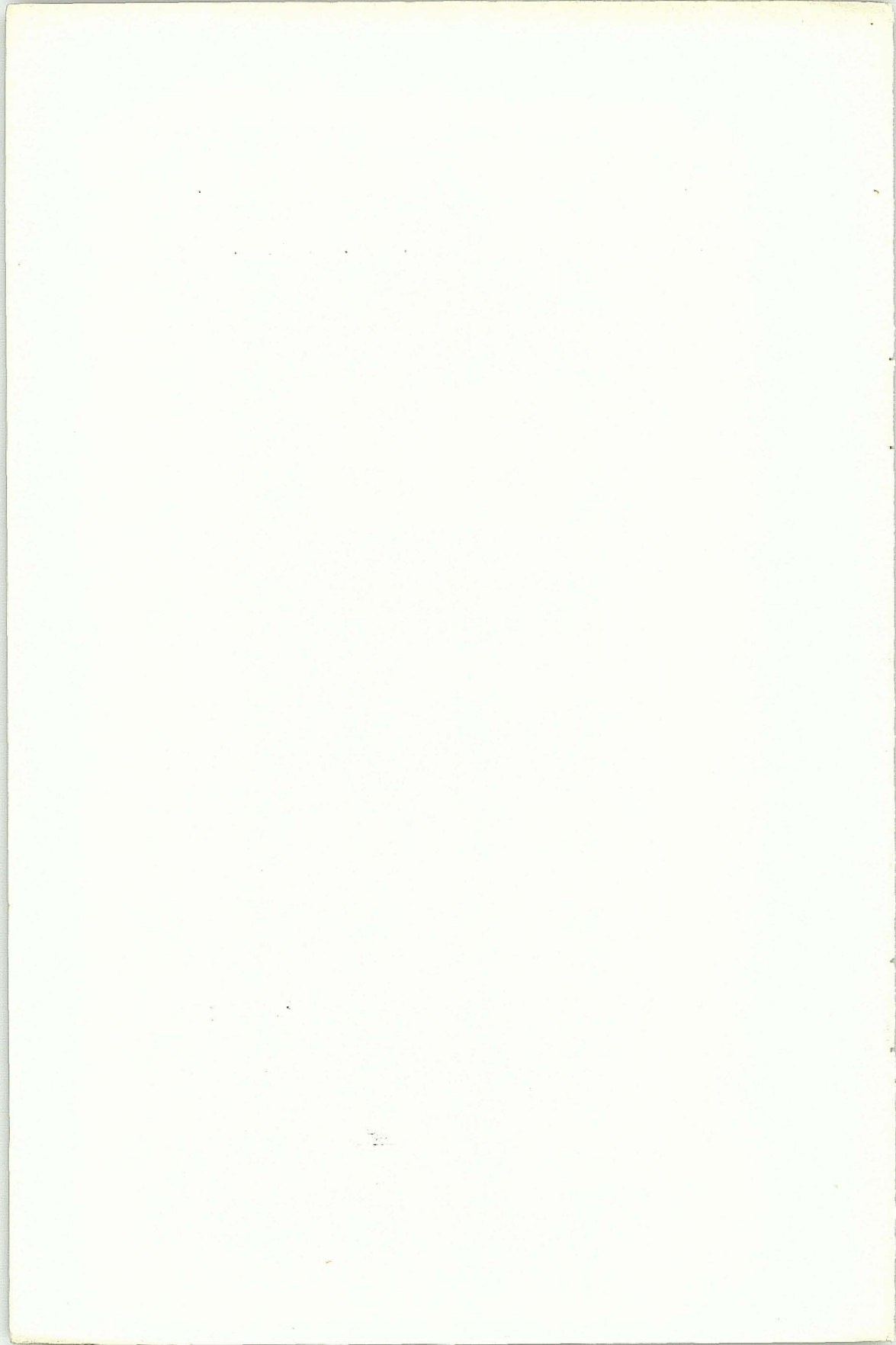
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THE COCA-COLA COMPANY
WILMINGTON, DELAWARE

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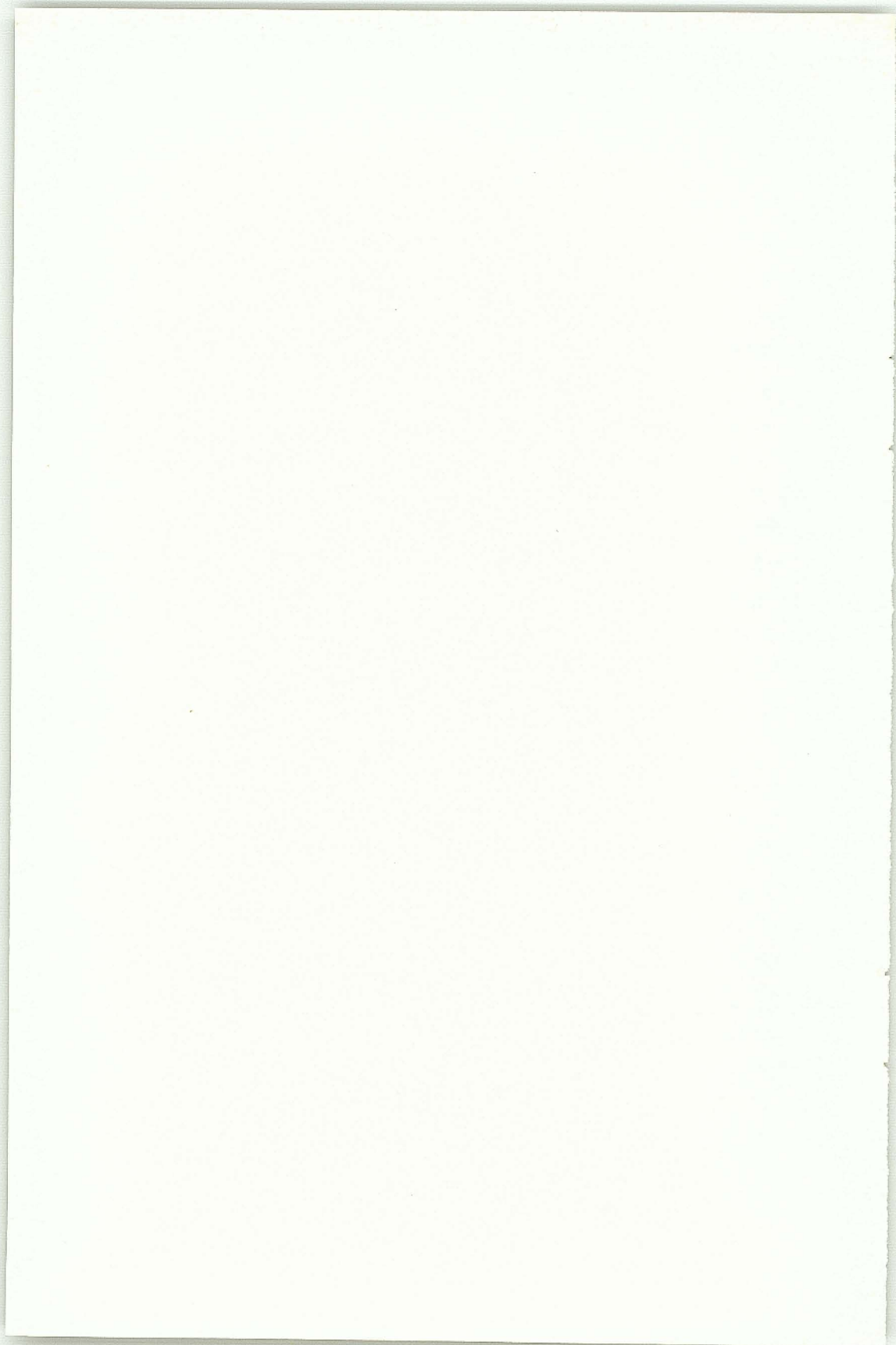
ANNUAL REPORT

THE COCA-COLA COMPANY AND ITS SUBSIDIARIES



FOR THE YEAR
1945

The annual meeting of the stockholders will be held on Monday, May 6, 1946. A formal notice of this meeting, together with proxy and proxy statement, will be mailed to each common stockholder on or about April 11, 1946, at which time proxies will be solicited by the management.



THE COCA-COLA COMPANY

WILMINGTON, DELAWARE

TO THE STOCKHOLDERS OF THE COCA-COLA COMPANY

The consolidated balance sheet and statement of operations for 1945 are submitted herewith. After taxes, Class "A" dividends, reserves and all charges, net earnings applicable to common stock were \$23,324,729.

While raw materials are not yet generally available in normal supply, inventory at December 31 was somewhat strengthened, excepting as to sugar which remained stringently rationed throughout the year.

An agreement has been reached with the United States Government to terminate the operation of the Coosa River Ordnance Plant, which was put into production by the Company's subsidiary, The Brecon Loading Company, within a month after the attack at Pearl Harbor.

It is appropriate that the Company express its pride in the distinguished military and naval services of its employees whose number in the armed forces exceeded two-thirds of permanent pre-war corporate personnel. Exceptional credit must be accorded the entire organization for its skill and diligence in endeavoring, under difficult circumstances, to meet the global wartime demand for Coca-Cola from both military and civilian sources at home and abroad.

For the understanding of the public through a period when only a fraction of the demand for our product could be met, the Company's thanks are due. Though the quantity of wartime production of Coca-Cola was necessarily curtailed, its quality was kept unimpaired and that standard will continue to be maintained as the Company enters the post-war era.

Respectfully submitted,

R. W. WOODRUFF,
President,

HARRISON JONES,
Chairman, Board of Directors.

CONSOLIDATED
THE COCA-COLA COMPANY AND I
December 31

ASSETS

CURRENT:

Cash on deposit and on call	\$29,530,897.23	
Government securities—at cost:		
United States and Canadian—(Mar-		
ket value \$25,946,506.16)	25,920,292.50	
Accounts receivable—trade (less reserve		
of \$43,274.27)	8,055,198.97	
Inventory—Merchandise (Priced at low-		
er of cost or market)	<u>18,914,632.25</u>	\$ 82,421,020.95

INVESTMENTS IN AND ADVANCES TO FOREIGN

SUBSIDIARIES NOT CONSOLIDATED—NET		1,844,177.15
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OTHER INVESTMENTS AND OTHER ASSETS:

Other security investments — at cost		
(Market value \$1,648,330.00) . . . \$	431,393.69	
Other receivables and miscellaneous . . .	<u>2,911,935.83</u>	3,343,329.52

PROPERTY, PLANT AND EQUIPMENT—At cost:

Land	\$ 3,039,745.63	
Buildings	18,958,321.05	
Machinery and equipment	20,053,393.43	
Containers	<u>9,603,298.99</u>	
	\$51,654,759.10	
Less reserve for depreciation	<u>16,773,742.62</u>	34,881,016.48

FORMULAE, TRADE-MARK AND GOODWILL—

At cost		37,268,323.96
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DEFERRED CHARGES		1,807,535.53
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\$161,565,403.59

NOTE A—Assets of subsidiaries and branches located in foreign countries consolidated in this balance sheet consist of net current \$12,839,238.97, property, plant and equipment at depreciated cost, \$4,173,444.65, and other assets, \$492,565.55. Fixed assets are stated at rates of exchange prevailing at dates of acquisition, and net current and all other assets at rates of exchange prevailing at December 31, 1945. Earned surplus includes \$15,154,879.72 accumulated earnings of such subsidiaries and branches consolidated herein.

BALANCE SHEET

TS CONSOLIDATED SUBSIDIARIES

, 1945

LIABILITIES

CURRENT:

Accounts payable			\$ 11,544,189.47
Accrued expenses			98,676.03
Accrued taxes — including income and excess profits taxes	\$ 22,479,512.04		
Less: U. S. Treasury tax notes	\$7,687,464.13		
Adjustment for unused excess profits credit	<u>3,872,975.00</u>	<u>11,560,439.13</u>	<u>10,919,072.91</u>
			\$ 22,561,938.41

RESERVE:

For contingencies and miscellaneous operations			22,951,801.57
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MINORITY INTERESTS IN SUBSIDIARIES

1,904,405.02

CAPITAL STOCK:

Class "A"—No par value:			
\$3.00 preference dividend cumulative, callable at \$52.50 per share			
Authorized and originally issued	1,000,000 shares		
Less retired	400,000 shares		
Outstanding	600,000 shares	\$ 3,000,000.00	

Common—No par value:

Authorized	5,000,000 shares		
Issued and outstand- ing	4,113,665 shares	<u>25,710,406.25</u>	
		\$ 28,710,406.25	

CAPITAL SURPLUS—Note B 3,436,283.89

EARNED SURPLUS 82,316,843.45

\$114,463,533.59

Less 4,800 shares of common stock owned by Company—at cost	<u>316,275.00</u>	<u>114,147,258.59</u>	
		<u>\$161,565,403.59</u>	

NOTE B—The item of Capital Surplus was increased \$200,107.13 during the year as a result of the sale of capital stock of a subsidiary.

CONSOLIDATED PROFIT AND LOSS STATEMENT
THE COCA-COLA COMPANY AND ITS CONSOLIDATED SUBSIDIARIES
Year Ended December 31, 1945

GROSS PROFIT		\$81,474,360.40
EXPENSES		
Selling, administrative and general		39,750,037.31
OPERATING PROFIT		\$41,724,323.09
Other deductions	\$ 2,724,999.63	
Less other income	2,383,626.04	341,373.59
PROFIT BEFORE TAXES ON INCOME		\$41,382,949.50
Provision for taxes on income—estimated:		
Federal normal and state income taxes	\$13,295,588.79	
Federal excess profits tax	6,853,411.21	
	\$20,149,000.00	
Less adjustment for unused excess profits credit	4,184,500.00	15,964,500.00
PROFIT AFTER TAXES		\$25,418,449.50
Less portion of subsidiary earnings applicable to minority interests		293,719.70
NET PROFIT		<u>\$25,124,729.80</u>

NOTE A—Provision for depreciation of \$2,886,197.97 was charged to manufacturing and other expenses. Other deductions include interest paid \$77,187.69, and \$1,035,778.11 for additions to the reserve for contingencies and miscellaneous operations.

NOTE B—Net earnings of subsidiaries and branches located in foreign countries consolidated herein are after adjustments for exchange differences, and include \$2,942,835.01 not transferred to the United States.

CONSOLIDATED EARNED SURPLUS ACCOUNT

Balance—December 31, 1944	\$ 75,427,573.65
Net profit for the year ended December 31, 1945	25,124,729.80
	<u>\$100,552,303.45</u>

DEDUCTIONS

Dividends paid in cash:

CLASS "A":

June 30, 1945—\$1.50 per share	\$ 900,000.00	
Dec. 14, 1945—\$1.50 per share	900,000.00	\$ 1,800,000.00

COMMON:

Mar. 31, 1945—\$.75 per share	\$ 3,085,248.75
June 30, 1945—\$.75 per share	3,085,248.75
Sept. 29, 1945—\$.75 per share	3,085,248.75
Dec. 14, 1945—\$.75 per share	
plus \$1.00 per share extra	7,198,913.75
	<u>\$16,454,660.00</u>

Less dividends on 4,800 shares of common stock owned by Company during year

19,200.00

16,435,460.00

TOTAL DIVIDENDS PAID 18,235,460.00

EARNED SURPLUS—DECEMBER 31, 1945 \$ 82,316,843.45

ERNST & ERNST

ACCOUNTANTS AND AUDITORS

SYSTEM SERVICE

TO THE BOARD OF DIRECTORS
THE COCA-COLA COMPANY
Wilmington, Delaware

We have examined the consolidated balance sheet of THE COCA-COLA COMPANY and its consolidated subsidiaries as of December 31, 1945, and the related consolidated statements of profit and loss and surplus for the year then ended, have reviewed the systems of internal control and the accounting procedures of the Company and its domestic subsidiaries and, without making a detailed audit of the transactions, have examined or tested accounting records of these companies and other supporting evidence by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

Statements of foreign subsidiaries consolidated herein were furnished us as certified by other independent auditors. Subsidiaries in foreign countries other than in the Western Hemisphere have been excluded from the consolidated financial statements and are stated in the balance sheet in the amount of the investments in and advances to such subsidiaries less net losses absorbed in prior years.

In our opinion, based upon our examination, and the statements of foreign subsidiaries consolidated, above referred to, the accompanying balance sheet and related statements of profit and loss and surplus present fairly the position of THE COCA-COLA COMPANY and its consolidated subsidiaries at December 31, 1945, and the consolidated results of their operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST

March 2, 1946.

THE COCA-COLA COMPANY

BOARD OF DIRECTORS

HARRISON JONES, *Chairman*

A. A. ACKLIN	Mrs. L. P. EVANS	C. J. ROOT (deceased)
W. C. BRADLEY	EDWARD FINLAY	E. W. STETSON
C. H. CANDLER	T. K. GLENN	D. A. TURNER
W. C. D'ARCY	J. N. GODDARD	C. A. WICKERSHAM
R. R. DEUPREE	J. P. ILLGES	GEO. W. WOODRUFF
S. C. DOBBS	WINSHIP NUNNALLY	R. W. WOODRUFF

EXECUTIVE COMMITTEE

R. W. WOODRUFF, *Chairman*

C. H. CANDLER	T. K. GLENN	C. A. WICKERSHAM
W. C. D'ARCY	E. W. STETSON	GEO. W. WOODRUFF
	D. A. TURNER	

W. C. BRADLEY, *Chairman Advisory Committee*

OFFICERS

R. W. WOODRUFF	<i>President</i>
W. N. COCHRAN	<i>Vice-President</i>
FELIX W. COSTE	<i>Vice-President</i>
EDGAR J. FORIO	<i>Vice-President</i>
B. NEAL HARRIS	<i>Vice-President</i>
RALPH HAYES	<i>Vice-President</i>
W. P. HEATH	<i>Vice-President</i>
H. B. NICHOLSON	<i>Vice-President</i>
B. H. OEHLERT, JR.	<i>Vice-President</i>
HAROLD S. SHARP	<i>Vice-President</i>
AL N. STEELE	<i>Vice-President</i>
HOMER B. THOMPSON	<i>Vice-President</i>
T. CARL THOMPSON	<i>Vice-President</i>
S. F. BOYKIN	<i>Vice-President and Treasurer</i>
GEORGE T. ADAMS	<i>Vice-President and Secretary</i>

COUNSEL

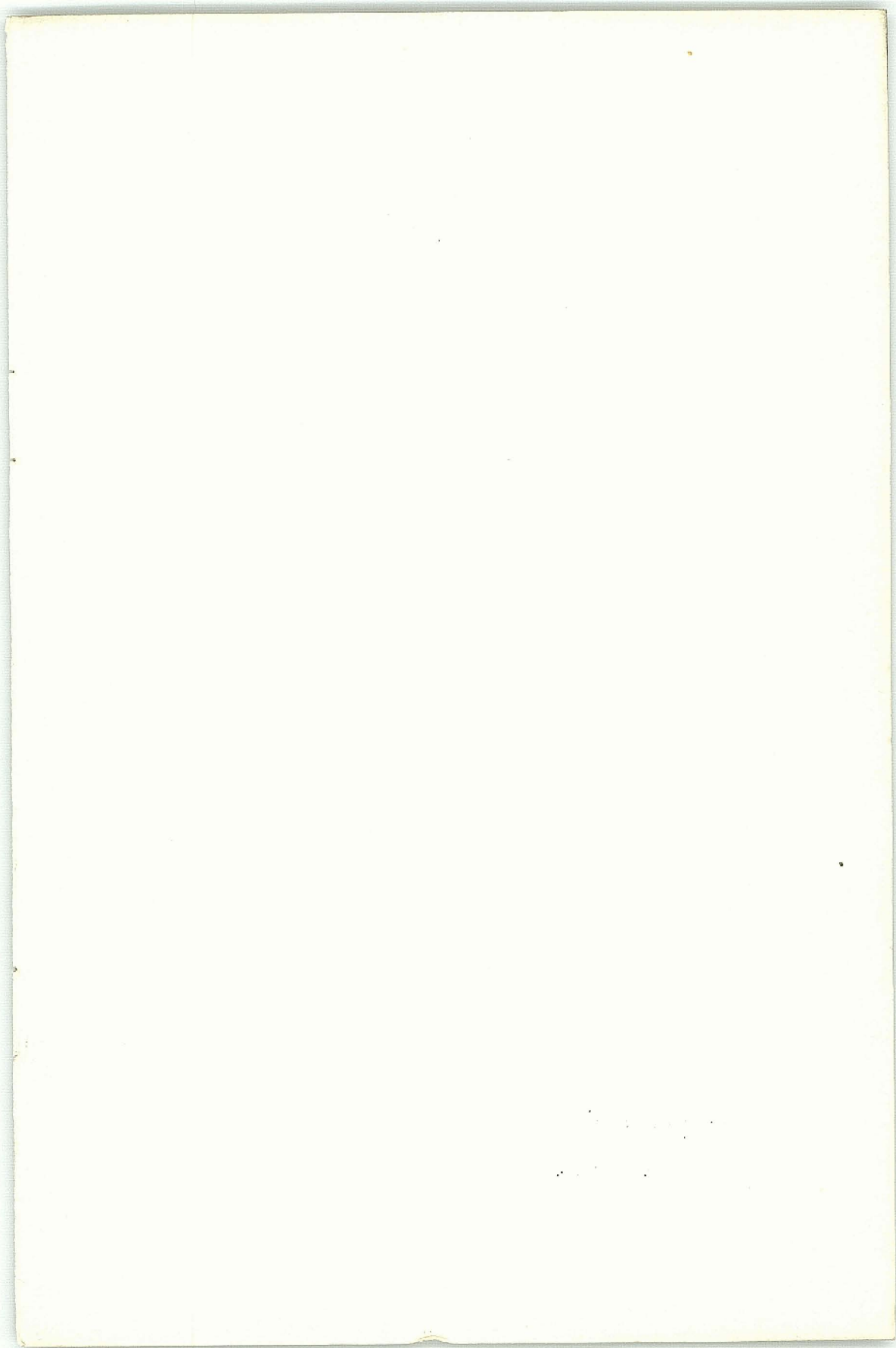
POPE F. BROCK

TRANSFER AGENTS

WILMINGTON TRUST COMPANY <i>Wilmington, Delaware</i>
GUARANTY TRUST COMPANY OF NEW YORK <i>New York, N. Y.</i>

REGISTRARS

EQUITABLE TRUST COMPANY <i>Wilmington, Delaware</i>
CHASE NATIONAL BANK <i>New York, N. Y.</i>



1872-1873
1874-1875
1876-1877